



COMMITTEE ON  
**EDUCATION  
& LABOR**  
REPUBLICANS

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**COMMITTEE  
STATEMENT**

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**Opening Statement of Rep. Greg Murphy (R-NC), Republican Leader  
Subcommittee on Higher Education and Workforce Investment Hearing:  
"Protecting Students and Taxpayers: Improving the Closed School Discharge  
Process"  
September 30, 2021**

(As prepared for delivery)

"When a college closes, thousands of students are thrown off their academic path, some permanently. This often means students are left tens of thousands of dollars in debt and no degree to show for it.

"Without credentials, it is exponentially more difficult for these students to repay their loans. They are thus left in a worse place than when they started their degree. This is simply not right.

"These students deserve protections and should not face the full financial burden of student loan debt if their school's closure forced them to end their education abruptly.

"In the best-case scenario, when a school closes, students should have the option to continue their program at another college. Students have already invested time and money into starting the degree, and it would be unfortunate to see this effort go to waste. Finishing their programs will be a far greater benefit for students in the long term really than just forgiving their loan.

"Simply discharging students' debt without providing every avenue possible to degree completion leaves taxpayers bearing an unnecessary burden. This is simply not a reasonable pathway. Nor is it right for an administration to use its narrow authority to grossly abuse the closed school discharge program.

"In August, the Biden administration announced that it was expanding the 'look back window' to students who attended ITT Tech in 2008—a full eight years before it closed. This will cost taxpayers over \$1 billion.

"This policy is simply reckless and financially, honestly, absurd. It is clear that the Biden administration is using this narrow program as a Trojan horse for the Democrats' radical mass student loan forgiveness agenda. We must resist these efforts if we are ever to get our nation's financial house in order. The money simply does not grow on trees. Everything is not free.

"Education is an investment, and all investments have inherent risks. We need to get back to the belief in this country that personal responsibility means something. Everything is not free when faced with adverse circumstances. While no student, however, should be left holding the bag if their school preemptively closes, we should ensure that schools receiving federal dollars are financially viable, rather than cleaning up the mess after they close.

"This topic is just one of many that we should be discussing in the context of a full reform of the Higher Education Act. If we are serious about addressing this issue, I urge the committee work together in a bipartisan manner, which we can do, to adequately legislate.

"The pandemic exposed some significant flaws with our country's higher education system. Our country's college students deserve better from their institutions.

"When discussing such reforms, it is critical that we balance the interests of hardworking taxpayers with those of student borrowers.

"It is difficult to explain to a hardworking American that never went to college why he or she would have to pay off someone else's student loan.

"Blue-collar Americans have struggled the most throughout this pandemic, many losing their jobs or being told they aren't allowed to show up for work. And these are the Americans we are asking to pay for white-collar degrees.

"That is simply not right.

"Degree completion is a student's best bet for a successful future. This should be our focus, not burdening taxpayers with debt that is neither their fault nor their responsibility."

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